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September 14th, 2005

TO: Executive Committee, Commissioners Boro, Breen, Fredericks,
Kinsey, Lundstrom, Murray, Tremaine

FROM: Dianne Steinhauser, Executive Director

RE: Administrative Set-Up – Agenda Item 4- INFORMATION ITEM

Belvedere

Jerry Butler

Corte Madera

Melissa Gill

Fairfax

Lew Tremaine

Larkspur

Joan Lundstrom

Mill Valley

Dick Swanson

Novato

Pat Eklund

Ross

Jeanne Barr

San Anselmo

Peter Breen

San Rafael

Al Boro

Sausalito

Amy Belser

Tiburon

Alice Fredericks

County of Marin

Susan Adams

Hal Brown

Steve Kinsey

Charles McGlashan

Cynthia Murray

Executive Summary

Staff is continuing to work on the establishment of the agency, with focus on a permanent space and hiring of permanent staff. With the arrival of the new Executive Director Dianne Steinhauser, work will continue under her leadership. The Executive Director was hired by a third party agency already set-up to provide both retirement and medical benefits to small and start-up agencies such as TAM, Local Government Services (LGS). LGS manages the human resource needs of over 15 government agencies in California, primarily in the Bay Area. As consultation with several of these agencies indicates an excellent track record in LGS providing these services, TAM staff is assessing what LGS can offer in future staff management. Simultaneously, TAM staff is continuing pursuit of its own PERS retirement contract and benefits package. An update of both the efforts to develop a benefits package as well as locate a permanent space is provided herein. It is envisioned that a comparative analysis of benefits managed directly by TAM versus an expansion of TAM's contractual relation with LGS to cover additional staff will be brought to the Executive Committee for consideration later this Fall.

Below is a summary of efforts to date regarding the development of benefits and package and suitable permanent space for TAM.

A. Retirement

PERS has accepted the application materials filed regarding the pursuit of a PERS contract and forwarded back to TAM the contract requesting authorization to proceed with the actuarial evaluation. The actuarial evaluation will be based on 2% at 55, with a two percent cost of living adjustment. The contract has been approved and returned to PERS. A fee of \$700 was remitted for the actuarial valuation. The actuarial valuation will take 6-8 weeks and will be provided at a future Executive Committee meeting.

From this point in time, PERS estimates the contract process remaining to take a minimum of 6-9 months.

Making the Most of Marin County Transportation Dollars

B. Employee Medical Benefits

Staff has finalized a CalPERS medical benefits package that could be instituted for new employees once actual benefit levels and employee shares are decided. TAM staff will bring options back to the Executive Committee to be considered along with other benefit options and costs as part of a comprehensive discussion of a complete employee package.

C. Employee Dental Benefits

TAM's consultant Gail Papworth is continuing to assist staff with the evaluation of options for dental benefits. At this time we are investigating benefits through the California Public Entity Insurance Authority (CPEIA). Options for benefit levels will be presented to the Executive Committee at a future meeting.

D. Employee Vision Benefits

TAM's consultant Gail Papworth is continuing to assist staff with the evaluation of options for vision benefits. At this time we are investigating benefits through CPEIA. Options for benefit levels will be presented to the Executive Committee at a future meeting.

E. Section 125 Documents for Benefits to be Tax Exempt

Gail Papworth is also assisting staff with the preparation of legal documents for adoption by TAM that will comply with applicable regulations so that employee benefits can be paid for pre-tax. Documents will be provided at a future meeting.

F. Deferred Compensation Plan

The CalPERS 457 Deferred Compensation benefit plan is in place.

G. Information Systems Support

Staff has implemented agreements with a provider for web hosting and email. The new website address is www.tam.ca.gov, and the site is now live.

Staff is looking at the expansion of the Website to create a more user-friendly format and expand the site's capabilities. A demonstration of a revised site format and additional useful features will be presented at the Executive Committee meeting. .

There will also be a demonstration and discussion of expanding TAM's current Website services to include webcasting of TAM's Board meetings.

H. Accounting and Payroll Services

Staff has met with the Marin County Auditor Controller and they have agreed they can provide accounting and payroll services for TAM. Payroll for the current executive Director is

managed through the LGS contract. Staff will examine whether to continue with LGS providing this service. An agreement for the County to provide this service has been drafted.

I. Engineering and Real Estate Services for a New Office

Staff has met with the County Capital Improvement Engineering Division and is engaged in finalizing a space needs assessment. Staff has met with Marin County Real Estate Division for assistance in locating office space for TAM, which will start in earnest upon completion of the needs assessment later this month. The Real Estate Division will assist TAM with locating space, lease negotiations, and insuring any facility is ADA compliant. The county continues to provide temporary office space for TAM's Executive Director at the Civic Center for an interim period of 6 to 8 months (from June 15). At the May 11, 2005 Executive Committee meeting there was consensus that TAM should continue to use the Civic Center for Commission meetings. However, it is the intent of TAM staff to locate a permanent facility with room for all of TAM's other committee meetings.

An assessment of space available and how it fits TAM's needs will be provided at an Executive Committee meeting later this Fall. Note that it is the goal of TAM staff is to have a permanent site available in early Spring. The timing will be affected by lease negotiations as well as any need to make improvements to the site.

J. Workers Compensation Insurance

Staff has pursued Worker's Compensation Insurance coverage with California Public Entity Insurance Authority (CPEIA). They have provided two options for TAM:

- a) Primary Workers Compensation (\$14,079/year) plus Excess Workers Compensation (\$9,945/year)
- b) Excess Workers Compensation (9,945/year) with maintenance of a \$125,000 Self Insurance Reserve

TAM staff will be providing at an Executive Committee meeting later this Fall comparative information on the cost of having LGS provide this coverage versus TAM providing this directly. If it is decided that TAM will provide this directly, and a bind date is set, CPEIA has already forwarded a Joint Powers Agreement and Memorandum of Understanding to be adopted by TAM.

K. Liability Insurance

Staff has pursued coverage with California Public Entity Insurance Authority (CPEIA). They have provided two options for TAM:

- a) Primary General Liability (\$26,279) plus Excess Liability (\$65,093)
- b) Excess Liability (\$65,093) with \$100,000 Self Insurance Reserve

The Excess Liability quote is based on a limit of \$15,000,000, which is CPEIA's goal for all program members. Staff is pursuing additional quotes based on a reduced limit, as well as reviewing options offered by LGS. Additional information will be provided at an Executive Committee Meeting later this Fall.

L. Preparation of Employee Class Specifications

TAM's Executive Director is assessing TAM's approved FY 2005-06 budget as well as current revenue and expenditure levels in order to finalize a recommendation for the hiring of staff. The recommendation is contingent on the outcome of discussions on the appropriate benefits and retirement strategy, as well as the provision of a permanent space for TAM. Once these contingencies are closer to being finalized, TAM staff will establish a detailed schedule on bringing staff on board. It is envisioned that staff will be onboard in early Spring. TAM consultant Carmen Clark will continue to assist TAM in the establishment of staff specifications.

M. Personnel Policy and Procedures Manual

TAM consultant Gail Papworth is also assisting staff with the preparation of a Personnel Policies and Procedures Manual and personnel forms. Personnel policies will be provided at a future meeting.

N. Commissioner's/Committee Member's Handbook

Handbooks were completed and distributed to the TAC, the Oversight Committee and the TAM Board of Commissioners. As the handbooks have been very popular, additional copies are being made and will be available at the September 22nd TAM meeting. In addition, a Web version will be available online later this Fall.

O. Authorization to Access Criminal History Information for Employment

At the July 28, 2005 meeting, TAM adopted a Resolution that will enable TAM to conduct background checks. Staff is processing the required information through the Department of Justice.

P. Disadvantaged Business Enterprise (DBE) Plan

At the July 28, 2005 meeting, TAM adopted a DBE plan, a requirement of agencies that receive federal funds. Staff continues to process the plan through Caltrans for review.

Q. Other matters

Other matters to be reviewed at future TAM meetings include:

- Whether to continue to use county counsel for legal services or to solicit proposals from private firms
- Whether to hire a firm for state legislative assistance
- Whether to hire a firm for federal legislative assistance
- Whether a financial advisor is needed